

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:3459
ANSWERED ON:20.03.2001
DECREASE IN PRICES OF STEEL
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Will the Minister of STEEL be pleased to state:

- (a) whether the steel prices all over the world are showing a downward trend;
- (b) if so, the extent of fall in prices registered;
- (c) the reasons for such shortfall;
- (d) whether the Government propose to cope up with the situation;
- (e) if so, the details in this regard ; and
- (f) the steps taken to ensure in particular that the SAIL maintaining its present profit making tempo?

Answer

MINISTER OF STATE FOR STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a)to(c): The international prices of steel in the past two years had witnessed a downward trend with occasional upturns. In respect of certain products the decline in prices have been as much as 30-40%. The reasons for such fall in prices inter alia include the South East Asian turmoil, collapse of the erstwhile USSR, global excess capacity, slow down of global economies and dumping of steel by certain countries.

(d)&(e): The Government have taken several steps to enable the steel industry to cope up with the situation, as noted below:

- Imposition of anti-dumping duty on imports of HR coils etc. from Russia and Ukraine.
- Rationalisation of excise and customs duty, streamlining of anti dumping Machinery, enhanced projects financing through ECB route, speedy Implementation of infrastructure/consumption projects etc.
- Rationalisation of duty credit rates under Duty Entitlement Pass Book (DEPB) Scheme to encourage exports of iron and steel.

(f) Several steps have been taken to improve the profitability of SAIL which inter alia include financial and business restructuring of SAIL, implementation of VRS, intensive cost control drive through improvement in key techno economic parameters, market oriented product-mix, increasing sales network, reduction in borrowing level and focus on customer satisfaction.